

EUROPEAN ECONOMY

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Supplement B

Economic prospects - business survey results

Weaker industrial business climate. — The industrial business climate indicator for the Community fell in February by 1 percentage point by comparison with January. Although industrial chief executives reported no change in the Community's industrial production outlook in February (see Graph 1 and Table 1), judgements on the level of stocks of finished products (the second component, with production expectations, of the climate indicator) were more pessimistic, by 2 percentage points.

Judgements on total order-books in February were also somewhat more pessimistic than in January (by 1 percentage point) and are now at the same level as that reached in October 1981. Opinions on export orders on the Community level have been stable in recent months, at a level somewhat weaker than that of the fourth quarter of 1981.

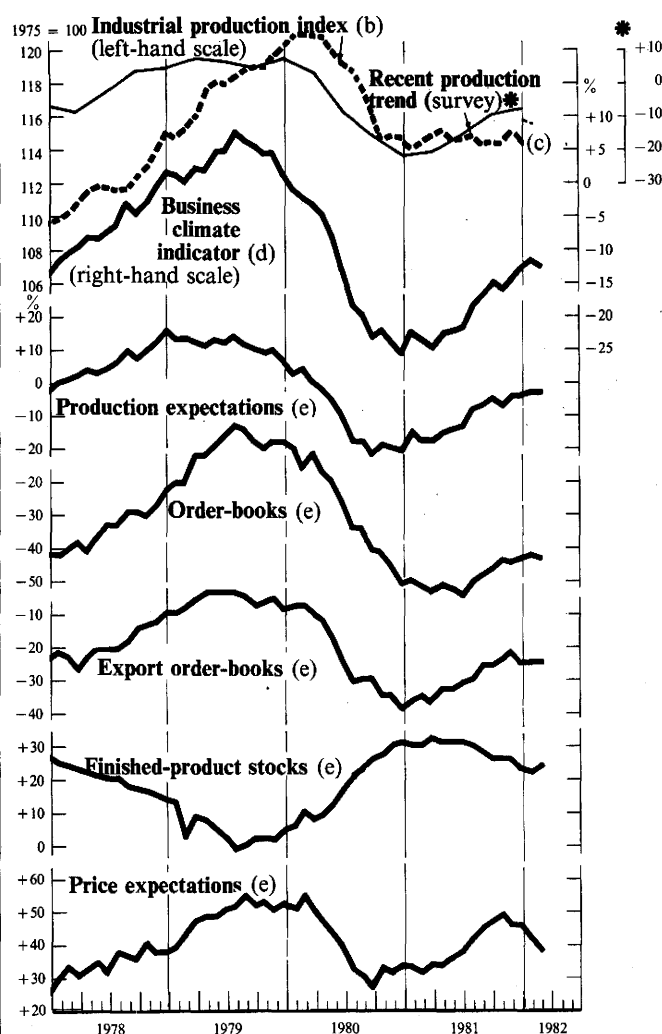
For the second month in succession, industrial selling-price expectations were markedly lower in February 1982 (by 4 percentage points), suggesting a welcome diminution of inflationary expectations.

Capacity utilization in Community industry was, in January 1981, at the lowest level reached since the oil-crisis recession of 1975 (see Table 5) and capacity utilization in the United Kingdom was, under the influence of the current recession, lower than in that year. Taking 1973 (the last year of strong economic growth before the 1974/75 recession) as a bench-mark, industrial capacity use in more recent years has never fully regained the peaks reached in the expansionary phases of earlier cycles. However, looking at the data set out in Table 5, it can be seen that the percentage of capacity utilization reached in 1979 (82,7) was only 3,1 percentage points less than in 1973, which suggests (given prevailing low rates of economic growth) that the production capacity of industry has, owing to weak investment, been expanding rather slowly. Nonetheless, the present low level of capacity utilization leaves considerable room for industrial growth in the course of the next cyclical expansion.

The business climate in the Member States. — Three of the larger Member States, the United Kingdom, the Federal Republic of Germany and Italy, reported a more pessimistic business climate in February (see Table 1), although in the latter two cases, the deterioration was small. In Belgium, Ireland and the Netherlands, the business climate indicator improved by amounts varying from 0,5 to 3,5 percentage points, while the business climate index was stable in France. A comparison of the index levels (Table 1) suggests that recessionary sentiment is most pronounced in the Federal Republic of Germany, Luxembourg and the Netherlands, with Ireland and France showing the least signs of business pessimism.

In the Federal Republic of Germany, the production outlook for the next three months as predicted by chief executives in industry, improved by 1 percentage point in February; on the other hand, finished stock

GRAPH 1: Business survey indicators for manufacturing industry and the index of industrial production - EC 9 (a)



For notes, see overleaf, column 1.

Note: The main statistical measure used to summarize the results of the European Community business surveys is the difference between the percentages of respondents giving 'positive' and 'negative' replies to questions. Increasing or upward trends in production, order-books, stocks and selling prices are all counted as 'positive' (+ in the tables) and vice versa for 'negative' responses (- in the tables). For the purpose of interpretation, an increase in stocks is considered to be a negative development, and vice versa. The differences between the percentages of 'positive' and 'negative' responses are called in the text 'majorities' or 'net balances' (of $\pm \dots\%$). The monthly and quarterly data in the tables are seasonally adjusted, except where otherwise stated.

judgements deteriorated by 3 percentage points. Judgement of German chief executives on order-books, including export order-books, showed, also, a decline in February by comparison with the January results.

Both production expectations and assessments of levels of stocks of finished products in *France* were unchanged in February, but the majority of chief executives considering order-books below normal increased by 4 percentage points. However, judgements on export-books improved.

In *Italy*, chief executives in February were markedly more pessimistic concerning production trends in the months ahead, thus ending the improving tendency seen in December 1981 and January 1982. By contrast, the balance of opinion on the level of stocks of finished products improved by 5 percentage points. Judgements on order-books as a whole as well as on export order-books deteriorated in February, by 2 and 3 percentage points, respectively.

Industrial production expectations in the *United Kingdom* were, in February, unchanged by comparison with January but the balance of opinion on order-book levels improved by 5 percentage points. At the same time, judgements on export order-books were virtually unchanged. However, the majority of chief executives considering stocks of finished products to be above normal increased sharply (by 7 percentage points), suggesting some hesitation in the recently positive developments of the stock cycle.

The *Netherlands* (+7 percentage points), *Ireland* (+9 percentage points) and *Luxembourg* (+44 percentage points) reported, in February, a marked improvement of production expectations for the months ahead, although the majority of chief executives considering the level of order-books to be below normal increased in all three Member States.

In *Belgium*, production expectations for the next three or four months were reported, in February, to have deteriorated by 4 percentage points but the business climate index has been positively influenced by a markedly less pessimistic assessment of the level of stocks of finished products.

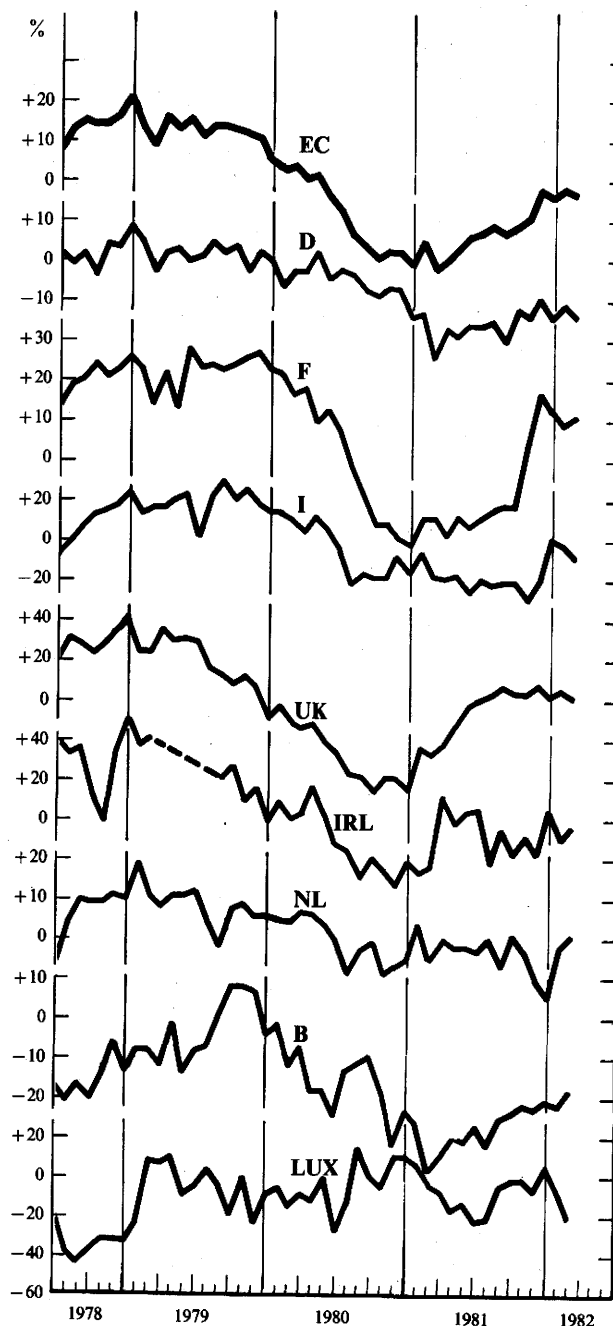
The production outlook for the major production sectors. — Business sentiment in the Community's investment and consumer goods sectors appears to have stabilized during the first two months of 1982 while the production outlook for intermediate-goods has improved (see Table 2 and Graphs 2, 3 and 4). However, at the individual Member State level, a more pessimistic production outlook was reported, in February, for consumer goods in *Italy* (-6 percentage points) and the *United Kingdom* (-4 percentage points).

Production outlook at the industrial branch level. — At the Community level, there was some improvement in production expectations for mineral-oil refining (+11 percentage points), the production and preliminary processing of metals, the chemical industry and mechanical engineering (+3 percentage points), as well as for non-metallic products (ceramics, etc.) (+2 percentage points — see Table 3). By contrast, the February survey results indicated a deterioration in the production outlook for motor vehicles and accessories (-7 percentage points) and textiles (-3 percentage points). Judgements on order-books as a whole were virtually unchanged, in February, with the exception of motor-vehicles (-4 percentage points) and the chemical industry (-2 percentage points), which reported that orders had declined further below normal levels. However, judgements on export order-books showed a marked improvement in mineral-oil refining (+15 percentage points), the production and preliminary processing of metals (+9 percentage points) and electrical engineering (+10 percentage points). As regards judgements on the level of stocks of finished products, increasing pessimism is evident in mineral-oil refining (+18 percentage points in opinion on excess stocks). By contrast, excess stocks of motor-vehicles and accessories have fallen by 8 percentage points.

Industrial capacity utilization. — The average level of capacity utilization in the Community's manufacturing industry in January 1982 was slightly lower than one year before (January 1981: 77,1%; January 1982: 76,8%), according to the recent survey results (see Table 4). This development is compounded of increases in *Belgium* (+1 percentage point), *Ireland* (+2,3 percentage points) and the *United Kingdom* (+2,1 percentage points), offset by declines ranging from 1,4 percentage points in *France* to 0,7 percentage points in the *Federal Republic of Germany*.

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GRAPH 2: Consumer goods industries - Production expectations (a)



(a) Net balances, i.e. differences between the percentages of respondents giving positive and negative replies (see notes on page 6).

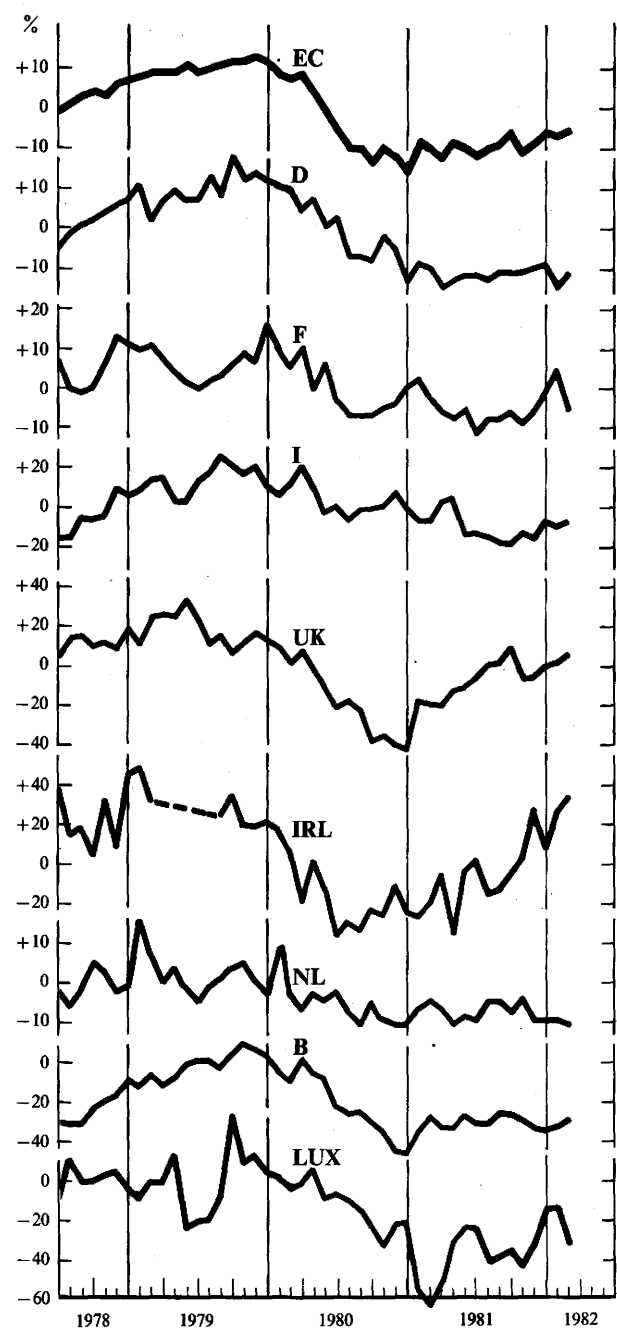
Source: European Community business surveys.

Notes on Graph 1.

- (a) Weighted total of available country data — see Table 1.
- (b) Industrial production excluding building and construction and, in the case of France, the foodstuffs and beverages industry. Three months' moving average.
- (c) The last section of this curve represents the recent production trend (in December 1981 and January 1982) in the Community with the exclusion of Denmark, Greece and the United Kingdom, for which data are not available.
- (d) Composite indicator based on the replies to the questions on production expectations and stocks of finished products. The indicator is an average of the net balances, i.e. differences between the percentages of respondents giving positive and negative replies. Derived from data as shown in Table 1, with the sign inverted for stocks.
- (e) Net balances, i.e. differences between the percentages of respondents giving positive and negative replies (see notes on final page).

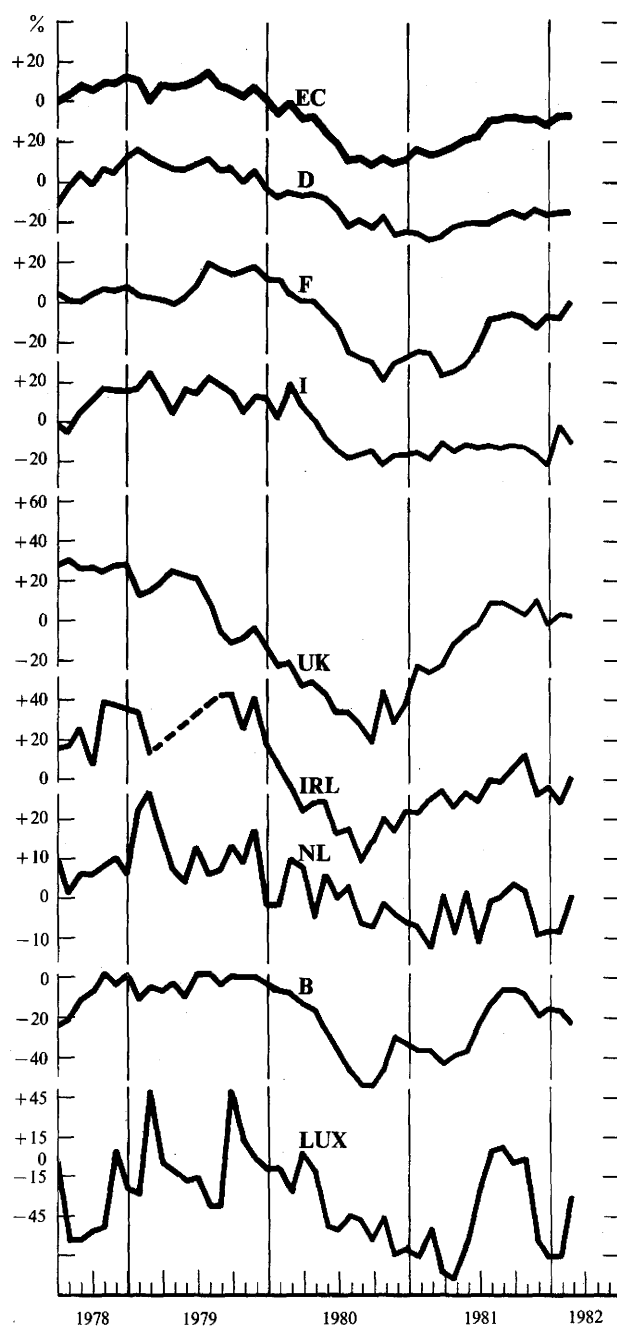
Source: European Community business surveys and Eurostat.

GRAPH 3: Investment goods industries - Production expectations



For notes see Graph 2.

GRAPH 4: Intermediate goods industries - Production expectations



For notes see Graph 2.

TABLE 3: Business survey in certain manufacturing sectors: EC total (a)

Net balances: i.e. differences between the percentage of respondents giving positive and negative replies (s.a.) (b)

Industrial groups	1979	1980	1981	1981				1981				1982	
				I	II	III	IV	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Production expectations													
Textile industry	+ 1	-21	-17	-28	-18	-12	-10	-11	-12	-9	-8	-4	-7
Mineral oil refining	-2	-11	-24	-32	-40	-8	-16	-1	-7	-13	-27	-22	-11
Production and preliminary processing of metals	+7	-27	-23	-38	-32	-12	-8	-6	-14	-2	-7	-9	-6
Non-metallic mineral products (ceramics, etc.)	+5	-16	-26	-27	-27	-24	-25	-28	-27	-22	-25	-27	-25
Chemical industry	+10	-12	+2	-4	+2	+3	+5	+8	+10	+1	+4	+1	+4
Manufacture of metal articles	+3	-12	-16	-20	-19	-14	-11	-13	-13	-13	-7	-5	-6
Mechanical engineering	+8	-10	-15	-19	-14	-13	-15	-12	-15	-15	-14	-16	-13
Electrical engineering	+8	-6	-10	-10	-12	-9	-9	-9	-7	-10	-9	-2	-2
Manufacture of motor vehicles and accessories	+15	-20	-14	-27	-22	-10	+3	-6	-9	+5	+12	+7	0
Order-books													
Textile industry	-16	-45	-58	-63	-64	-54	-50	-52	-51	-51	-49	-44	-44
Mineral oil refining	+9	-30	-63	-70	-70	-56	-54	-52	-60	-52	-50	-57	-58
Production and preliminary processing of metals	-33	-49	-68	-72	-75	-69	-57	-65	-52	-57	-63	-63	-61
Non-metallic mineral products (ceramics, etc.)	-18	-25	-60	-53	-63	-64	-59	-61	-56	-60	-61	-60	-60
Chemical industry	+5	-27	-37	-40	-43	-36	-27	-34	-24	-31	-26	-32	-34
Manufacture of metal articles	-20	-29	-52	-49	-53	-53	-52	-50	-54	-51	-51	-49	-48
Mechanical engineering	-27	-29	-52	-51	-53	-52	-53	-53	-52	-54	-53	-53	-53
Electrical engineering	-20	-21	-37	-34	-38	-36	-41	-33	-36	-41	-47	-45	-42
Manufacture of motor vehicles and accessories	+13	-24	-45	-55	-52	-42	-29	-41	-43	-25	-20	-14	-18
Export order-books													
Textile industry	-33	-51	-50	-59	-57	-45	-38	-49	-39	-39	-37	-38	-39
Mineral oil refining	-6	-12	-41	-37	-55	-38	-33	-42	-42	-35	-22	-44	-29
Production and preliminary processing of metals	-19	-49	-65	-72	-65	-65	-58	-65	-56	-51	-66	-71	-62
Non-metallic mineral products (ceramics, etc.)	-10	-24	-44	-45	-45	-42	-45	-38	-46	-46	-43	-46	-47
Chemical industry	+8	-23	-28	-37	-32	-23	-19	-25	-12	-20	-24	-19	-19
Manufacture of metal articles	-32	-33	-44	-46	-45	-42	-41	-39	-44	-39	-40	-43	-43
Mechanical engineering	-29	-35	-46	-47	-45	-46	-45	-44	-45	-43	-46	-46	-45
Electrical engineering	-29	-28	-41	-38	-41	-41	-42	-37	-36	-41	-50	-42	-32
Manufacture of motor vehicles and accessories	+2	-24	-41	-52	-45	-36	-31	-34	-38	-25	-30	-21	-18
Stocks of finished products													
Textile industry	+21	+34	+38	+42	+41	+37	+31	+37	+32	+33	+30	+32	+30
Mineral oil refining	-27	+13	+25	+34	+34	+12	+18	+4	+25	+13	+15	+11	+29
Production and preliminary processing of metals	+1	+5	+12	+17	+13	+12	+4	+12	+6	+2	+4	+10	+15
Non-metallic mineral products (ceramics, etc.)	+12	+12	+37	+34	+38	+40	+37	+40	+40	+37	+34	+36	+44
Chemical industry	-5	+20	+13	+14	+14	+12	+10	+7	+7	+11	+11	+6	+11
Manufacture of metal articles	+2	+11	+23	+28	+25	+20	+19	+20	+20	+19	+19	+20	+16
Mechanical engineering	+11	+17	+25	+27	+24	+25	+24	+24	+25	+24	+22	+26	+23
Electrical engineering	+18	+23	+29	+29	+31	+26	+28	+24	+31	+28	+25	+23	+24
Manufacture of motor vehicles and accessories	-13	+23	+47	+48	+54	+56	+30	+54	+33	+35	+21	+24	+16
Selling-price expectations													
Textile industry	+54	+37	+43	+28	+38	+55	+49	+58	+49	+51	+47	+48	+46
Mineral oil refining	+65	+59	+55	+55	+40	+73	+53	+76	+81	+61	+17	-22	+22
Production and preliminary processing of metals	+45	+18	+44	+19	+32	+58	+67	+58	+71	+65	+66	+54	+44
Non-metallic mineral products (ceramics, etc.)	+47	+44	+30	+36	+24	+24	+34	+27	+29	+34	+40	+29	+15
Chemical industry	+53	+26	+49	+42	+44	+54	+54	+59	+61	+50	+51	+37	+27
Manufacture of metal articles	+47	+40	+35	+24	+34	+37	+45	+42	+44	+46	+45	+39	+42
Mechanical engineering	+42	+39	+33	+33	+32	+32	+36	+34	+35	+37	+37	+40	+37
Electrical engineering	+36	+39	+35	+37	+33	+33	+36	+34	+31	+37	+40	+39	+32
Manufacture of motor vehicles and accessories	+44	+40	+35	+28	+35	+42	+35	+44	+44	+33	+28	+46	+41

(a) Greece excluded. See note (d) to Table 1.

(b) For the exact formulation of the questions, see the notes on the last page.

The annual and quarterly figures are averages of the corresponding monthly data. The seasonal adjustment applied to the most recent observations is sometimes provisional, so that such data are subject to later revision.

Source: European Community business surveys.

TABLE 4: Survey of manufacturing industry — Level (%) of capacity utilization (a)
January 1982

	B	D	F	IRL	I	L	NL	UK (b)	EC (c)
Total industry	74.0	77.9	81.4	60.6	71.9	72.0	77.0	73.4	76.8
Consumer goods	76.0	84.0	81.9	56.0	67.9	84.0	75.0	79.3	79.3
knitting mills	71.0	79.0	81.9	79.2	76.0	76.0	75.0	83.6	83.6
clothing and footwear	73.0	88.9	84.5	81.3	81.8	76.0	82.0	83.9	84.5
furniture	83.0	78.8	80.3	70.0	67.1	76.0	76.0	88.5	79.3
printing and publishing	85.0	80.5	79.2	63.4	77.7	87.0	85.0	74.2	78.5
leather and leather goods	85.0	81.7	81.7	77.7	89.7	87.0	82.2	82.2	82.2
ceramics and glass	77.0	89.0	89.0	77.7	68.6	90.0	82.2	82.2	82.2
chemicals	73.0	81.7	81.7	77.7	68.6	90.0	82.2	82.2	82.2
electrical appliances	78.0	87.9	78.7	70.7	51.5	66.0	77.0	88.5	77.2
motor vehicles	93.0	81.8	81.8	50.0	59.8	60.0	76.0	71.3	78.9
cycles and motor cycles	72.0	63.8	81.8	50.0	66.5	60.0	76.0	71.3	78.9
Investment goods	70.0	81.0	81.2	69.0	74.1	79.0	76.0	72.1	77.8
metal articles	67.0	78.5	81.2	68.3	73.9	77.0	74.0	71.3	77.8
mechanical engineering	70.0	82.6	75.1	66.5	76.9	83.0	78.0	71.7	77.8
computers and office machines	71.0	73.3	83.0	66.0	79.8	83.0	78.0	71.7	77.8
electrical machinery	71.0	78.8	85.1	79.2	70.1	70.1	70.1	70.1	70.1
electric lighting	71.0	79.7	85.1	79.2	70.1	70.1	70.1	70.1	70.1
motor-vehicle bodies	71.0	85.8	85.1	79.2	70.1	70.1	70.1	70.1	70.1
shipbuilding	75.0	72.8	79.9	82.5	76.3	76.3	76.3	76.3	76.3
instrument engineering	75.0	77.0	79.9	82.5	76.3	76.3	76.3	76.3	76.3
Intermediate goods	74.0	75.2	81.0	56.2	74.1	70.0	77.0	71.3	75.7
wool	83.0	81.8	81.8	68.0	78.1	78.1	78.1	81.8	81.8
cotton	73.0	92.3	81.3	85.0	68.0	68.0	82.0	72.6	74.7
wood	79.0	73.5	81.3	85.0	68.0	68.0	82.0	72.6	74.7
paper manufacture	87.0	88.3	84.8	57.7	80.9	80.9	80.9	69.2	85.6
paper processing	71.0	80.0	84.8	57.7	80.9	80.9	80.9	69.2	85.6
plastics	72.0	69.5	81.8	65.0	73.8	82.0	73.0	70.9	73.4
oil-refining	72.0	62.6	76.9	65.0	58.4	58.4	58.4	68.8	73.1
metals	70.0	69.8	83.9	67.9	80.3	65.0	71.0	67.5	71.0
industrial ceramics	63.0	62.9	83.9	67.9	80.3	65.0	71.0	67.5	71.0
basic chemicals	78.0	62.9	83.9	67.9	80.3	65.0	71.0	67.5	71.0
industrial chemicals	78.0	62.9	83.9	67.9	80.3	65.0	71.0	67.5	71.0
man-made fibres	100.0	85.0	85.0	45.0	74.0	89.0	83.0	66.7	66.7
motor-vehicle parts	100.0	85.0	85.0	45.0	74.0	89.0	83.0	66.7	66.7
rubber	71.0	77.7	81.4	79.8	73.4	95.0	78.0	69.2	75.9
January 1981									
Total industry	73.0	78.6	82.8	58.3	73.2	73.0	78.0	71.3	77.1
Consumer goods	75.0	84.3	83.2	52.0	69.9	82.0	77.0	71.7	78.4
Investment goods	72.0	83.3	82.7	69.6	75.6	81.0	78.0	75.5	80.1
Intermediate goods	71.0	75.4	82.4	52.3	74.1	70.0	78.0	68.8	75.5

(a) Not adjusted for seasonality.

(b) The series for the United Kingdom are estimated using the national (Confederation of British Industry) data on the percentage of firms reporting below-capacity working.

(c) Column totals, with country data weighted by the volume of industrial production in 1975.

Source: European Community business surveys.

TABLE 1: Monthly survey of manufacturing industry — Monthly questions and the composite business climate indicator
Net balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.) (a)

		Range (b)		1979	1980	1981	1981				1981				1982	
		Peak 1972/73	Trough 1974/75				I	II	III	IV	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
B	production expectations	+31	-56	-3	-24	-26	-34	-30	-20	-21	-18	-18	-23	-22	-17	-21
	order-books	+13	-66	-30	-31	-45	-47	-48	-44	-41	-44	-39	-40	-44	-39	-44
	export order-books	+15	-82	-28	-36	-47	-53	-51	-46	-38	-44	-36	-39	-40	-39	-41
	stocks of finished products	-14	+37	+12	+11	+11	+16	+14	+6	+9	+7	+8	+11	+7	+11	+6
	selling-price expectations	+64	-10	+27	+20	+29	+18	+24	+37	+38	+37	+38	+39	+38	+39	+31
	business climate indicator	+22,5	-46,5	+7,5	-17,5	-18,5	-25	-22	-13	-15	-12,5	-13	-17	-14,5	-14	-13,5
DK	production expectations	:	:	:	-4	-3	-20	+2	-2	+7	:	:	:	:	:	:
	order-books	:	:	:	-6	-24	-34	-26	-18	-18	:	:	:	:	:	:
	export order-books	:	:	:	+9	-8	-11	-8	-8	-3	:	:	:	:	:	:
	stocks of finished products	:	:	:	+16	+17	+20	+22	+12	+13	:	:	:	:	:	:
	business climate indicator	:	:	:	-10	-10	-20	-10	-7	-3	:	:	:	:	:	:
D	production expectations	+17	-32	+6	-10	-17	-21	-19	-15	-12	-13	-14	-12	-13	-14	-13
	order-books	+5	-73	-15	-21	-46	-44	-48	-47	-45	-45	-43	-47	-46	-46	-48
	export order-books (c)	+23	-33	+4	-4	-1	-6	-2	+2	+2	+2	+1	+2	+2	-1	-2
	stocks of finished products	-7	+43	+4	+11	+26	+23	+26	+27	+27	+25	+27	+27	+26	+21	+24
	selling-price expectations	+55	+4	+32	+26	+32	+30	+30	+34	+33	+37	+38	+33	+29	+30	+23
	business climate indicator	+5	-37,5	+1	-10,5	-21,5	-22	-22,5	-21	-20	-19	-20,5	-19,5	-19,5	-17,5	-18,5
F	production expectations	+33	-29	+12	-6	-11	-17	-19	-8	-1	-7	-3	0	+1	+1	+1
	order-books	+26	-69	-9	-22	-46	-48	-54 ^R	-46	-37	-41	-43	-33	-34	-27	-31
	export order-books	+24	-66	-1	-29	-47	-50	-50	-45	-43	-41	-45	-38	-45	-37	-33
	stocks of finished products	-14	+50	+10	+17	+34	+36	+40	+35	+23	+31	+24	+23	+21	+18	+18
	selling-price expectations	+76	+15	+55	+50	+54	+47	+47	+59	+64	+62	+69	+63	+59	+50	+52
	business climate indicator	+23,5	-39,5	+1	-11,5	-22,5	-26,5	-29,5	-21,5	-12	-19	-13,5	-11,5	-10	-8,5	-8,5
IRL	production expectations	:	-21	:	-12	-1	-9	-5	+4	+6	+6	+14	+1	+2	-4	+5
	order-books	:	-68	:	-50	-36	-47	-42	-33	-22	-31	-17	-24	-26	-31	-45
	export order-books	:	-22	:	-6	+2	0	-5	+5	+6	-2	+18	0	0	-15	-14
	stocks of finished products	:	+35	:	+31	+16	+27	+16	+10	+12	+6	+10	+11	+14	+9	+11
	business climate indicator	:	+64	:	+43	+41	+33	+36	+47	+46	+53	+47	+51	+40	+48	+49
	business climate indicator	:	-28	:	-21,5	-8,5	-18	-10,5	-3	-3	0	+2	-5	-6	-6,5	-3
I	production expectations	+40	-43	+13	-7	-16	-14	-17	-18	-16	-17	-20	-18	-9	-2	-8
	order-books	+30	-82	-5	-22	-49	-49	-52	-49	-47	-51	-42	-49	-51	-50	-52
	export order-books	+13	-67	-14	-37	-45	-49	-49	-46	-37	-46	-37	-36	-37	-44	-47
	stocks of finished products	-24	+53	-1	+11	+28	+25	+30	+31	+27	+30	+29	+28	+24	+25	+20
	selling-price expectations	+76	+10	+66	+63	+59	+55	+60	+63	+57	+62	+58	+57	+57	+58	+47
	business climate indicator	+32	-48	+5	-9	-22	-19,5	-23,5	-24,5	-21,5	-23,5	-24,5	-23	-16,5	-13,5	-14
L	production expectations	+84	-80	-2	-33	-39	-65	-50	-1	-40	-8	-5	-54	-61	-61	-27
	order-books	:	:	-44	-42	-62	-64	-65	-60	-58	-60	-56	-57	-60	-41	-43
	export order-books	:	:	-26	-52	-81	-75	-86	-84	-77	-82	-80	-72	-80	-50	-55
	stocks of finished products	-14	+74	+48	+63	+28	+56	+24	+18	+14	+12	+10	+17	+14	+12	+13
	selling-price expectations	:	-64	+14	+8	+60	+45	+57	+64	+72	+63	+74	+74	+67	+67	+66
	business climate indicator	+48	-77	-25	-48	-33,5	-60,5	-37	-9,5	-27	-10	-7,5	-35,5	-37,5	-36,5	-20
NL	production expectations	+26	-23	+7	-3	-6	-6	-7	-2	-7	-1	-2	-9	-10	-7	0
	order-books	+7	-48	-13	-20	-37	-38	-40	-36	-34	-33	-32	-34	-35	-35	-39
	stocks of finished products	-1	+57	+8	+15	+32	+30	+32	+34	+32	+31	+30	+34	+33	+36	+39
	business climate indicator	+13,5	-40	-0,5	-9	-19	-18	-19,5	-18	-19,5	-16	-16	-21,5	-21,5	-21,5	-19,5
UK	production expectations	:	:	+12	-30	-4	-20	-7	+7	+4	+9	+3	+7	+2	+5	+5
	order-books	:	:	-18	-65	-69	-83	-72	-64	-58	-62	-59	-57	-58	-58	-53
	export order-books	:	:	-20	-45	-55	-67	-58	-51	-45	-53	-45	-40	-51	-44	-43
	stocks of finished products	:	:	+7	+34	+27	+37	+29	+20	+21	+19	+21	+21	+20	+22	+29
	business climate indicator	:	:	+65	+36	+25	+12	+17	+29	+40	+33	+37	+38	+44	+40	+38
	business climate indicator	:	:	+2,5	-32	-15,5	-28,5	-18	-6,5	-8,5	-5	-9	-7	-9	-8,5	-12
EC(d)	production expectations	+24	-30	+9	-13	-13	-19	-16	-9	-7	-7	-9	-6	-6	-5	-5
	order-books	+15	-70	-12	-31	-51	-53	-54	-50	-45	-48	-45	-46	-45	-44	-45
	export order-books	+14	-48	-6	-24	-31	-37	-33	-28	-25	-27	-25	-23	-26	-26	-26
	stocks of finished products	-10	+48	+5	+17	+28	+30	+30	+27	+24	+25	+25	+25	+22	+21	+23
	selling-price expectations	+69	+9	+49	+38	+40	+32	+35	+44	+46	+46	+49	+45	+45	+41	+37
	business climate indicator	+16,5	-38,5	+2	-15	-20,5	-24,5	-23	-18	-15,5	-16	-17	-15,5	-14	-13	-14

TABLE 2: Monthly survey of manufacturing industry — Production expectations in the major sectors of manufacturing industry
Net balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.) (a)

Industrial sector	Range (b)		1979	1980	1981	1981				1981				1982		
	Peak 1972/73	Trough 1974/75				I	II	III	IV	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	
B	consumer goods	+34	-43	-4	-17	-28	-33	-29	-27	-22	-24	-22	-23	-21	-22	-18
	investment goods	+27	-58	-3	-23	-31	-32	-31	-28	-33	-27	-31	-34	-35	-33	-29
	intermediate goods	+26	-63	-4	-31	-23	-38	-33	-8	-14	-6	-8	-18	-15	-16	-29
DK	consumer goods	:	:	:	+5	+1	-26	-3	+17	+15	:	:	:	:	:	:
	investment goods	:	:	:	-4	0	-15	+16	-14	+14	:	:	:	:	:	:
	intermediate goods	:	:	:	-9	-10	-18	+2	-11	-12	:	:	:	:	:	:
D	consumer goods	+18	-30	-1	-5	-16	-18	-17	-15	-12	-12	-14	-9	-14	-11	-14
	investment goods	+17	-28	+9	-1	-11	-11	-12	-12	-10	-11	-11	-10	-9	-15	-11
	intermediate goods	+26	-41	+6	-15	-20	-26	-21	-16	-15	-14	-17	-13	-15	-14	-14
F	consumer goods	+42	-22	+21	-0	-8	-16	-15	-11	+11	-11	+5	+17	+12	+9	+11
	investment goods	+35	-31	+6	-1	-6	-2	-9	-7	-5	-6	-9	-6	-1	+5	-6
	intermediate goods	+33	-39	+9	-15	-18	-29	-29	-6	-8	-5	-7	-12	-6	-7	+1
IRL	consumer goods	:	-28	:	-12	-9	-12	+2	-18	-7	-18	-8	-18	+5	-10	-3
	investment goods	:	-65	:	-15	-7	-16	-13	-12	+12	-6	+3	+27	+7	+26	+34
	intermediate goods	:	-22	:	-18	-6	-9	-10	-4	+1	+6	+13	-8	-3	-12	+2
I	consumer goods	+36	-55	+14	-5	-18	-14	-21	-21	-16	-21	-30	-20	+1	-2	-8
	investment goods	+41	-34	+9	+3	-11	-5	-8	-17	-12	-19	-13	-16	-7	-10	-8
	intermediate goods	+49	-39	+14	-8	-14	-14	-13	-12	-17	-11	-12	-16	-22	-1	-9
L	consumer goods	+43	-73	+15	+23	+19	+27	+3	+16	+29	+27	+28	+19	+39	+19	-1
	investment goods	+33	-41	-7	-13	-38	-57	-27	-39	-30	-36	-44	-32	-15	-14	-32
	intermediate goods	:	:	-8	-42	-43	-71	-60	+5	-47	-6	-1	-64	-75	-75	-28
NL	consumer goods	+33	-26	+11	-1	-3	0	-2	-2	-9	+1	-3	-10	-15	-2	+1
	investment goods	+42	-53	+1	-6	-8	-6	-10	-6	-8	-8	-4	-10	-10	-10	-11
	intermediate goods	+43	-22	+12	-1	-4	-6	-6	+2	-5	+4	+2	-9	-8	-8	+11
UK	consumer goods	:	:	+15	-29	-5	-24	-5	+5	+4	+4	+3	+7	+2	+5	+1
	investment goods	:	:	+16	-18	-8	-20	-11	+3	-5	+9	-7	-6	-1	+1	+6
	intermediate goods	:	:	+7	-40	-4	-23	-6	+9	+4	+7	+3	+11	-2	+4	+3
EC(d)	consumer goods	+29	-26	+9	-9	-13	-19	-15	-12	-5	-11	-9	-2	-4	-2	-3
	investment goods	+28	-29	+9	-5	-10	-11	-10	-8	-9	-6	-11	-9	-6	-7	-6
	intermediate goods	+32	-37	+8	-19	-15	-24	-19	-8	-9	-7	-8	-8	-11	-7	-6

(a) Details of the questions are given on the last page. For a description of the climate indicator, please see the notes to Graph 1.

(b) These are the extreme (high and low) values of the net balances of the different questions, reached in the course of 1972/73 and 1974/75, respectively.

(c) The series for the Federal Republic of Germany concerns the export outlook, rather than orders as such.

(d) Not including Greece, where the survey time series are too short to permit an analysis of trends. (The Community survey was extended to Greece at the beginning of 1981.)

Note: (s.a.) = seasonally adjusted.

TABLE 5: Survey of manufacturing industry - Level (%) of capacity utilization (a)

		1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
B	Year	86,0	86,3	83,6	82,7	84,8	83,4	71,6	75,2	72,4	72,3	76,2	77,3	74,5	:
	Quarter 1	84,2	86,5	84,6	81,7	83,7	83,8	74,1	71,8	73,0	71,5	73,6	78,0	73,0	74,0
	2	86,1	86,7	83,8	83,0	85,4	85,3	71,1	76,2	73,1	71,8	75,3	79,0	75,0	:
	3	87,3	86,2	83,2	83,0	85,2	83,2	70,8	76,3	72,2	72,0	78,0	78,0	74,9	:
	4	86,3	85,6	82,6	83,0	85,0	81,1	70,4	76,5	71,2	73,9	78,0	74,0	75,0	:
D	Year	89,5	90,8	86,2	85,0	87,1	82,5	76,0	80,2	80,9	80,9	84,2	83,9	79,2	:
	Quarter 1	87,0	90,4	86,2	83,4	86,2	83,7	75,6	77,6	80,8	80,3	81,7	84,5	78,6	77,9
	2	90,0	92,3	87,8	85,4	88,1	84,0	75,9	81,0	81,2	81,0	84,4	85,9	79,8	:
	3	90,0	90,6	85,7	84,8	86,7	81,6	74,8	80,3	79,8	79,8	85,6	83,8	79,4	:
	4	91,0	89,8	85,1	86,6	87,5	80,6	77,7	81,9	81,6	82,3	85,3	81,2	78,8	:
F	Year	86,1	85,8	85,8	86,3	87,6	85,8	78,3	83,1	83,4	83,7	84,6	84,8	82,2	:
	Quarter 1	85,8	86,3	85,7	85,7	87,3	87,6	79,7	81,4	83,5	83,3	84,1	85,5	82,8	81,4
	2	85,9	85,7	85,8	86,1	87,8	87,2	76,6	83,6	83,7	84,0	84,7	85,5	82,2	:
	3	86,2	85,6	85,8	86,5	87,7	85,1	77,9	83,6	83,4	83,8	85,0	85,0	81,9	:
	4	86,5	85,5	85,8	86,9	87,6	83,1	79,1	83,6	83,1	83,6	84,6	83,3	81,8	:
IRL	Year	:	:	:	:	:	:	:	:	:	:	:	65,0	60,9	:
	Quarter 1	:	:	:	:	:	:	:	:	:	:	:	67,4	58,3	60,6
	2	:	:	:	:	:	:	:	:	:	:	:	68,3	62,0	:
	3	:	:	:	:	:	:	:	:	:	:	:	60,7	61,0	:
	4	:	:	:	:	:	:	:	:	:	:	:	63,5	62,1	:
I	Year	80,9	81,1	77,6	76,5	76,5	78,2	70,6	72,0	73,8	72,3	75,4	75,5	73,0	:
	Quarter 1	81,7	81,2	78,9	76,6	76,4	78,8	73,1	68,0	75,2	71,5	74,6	76,9	73,2	71,9
	2	83,1	81,2	78,0	75,0	73,7	78,4	70,4	71,7	75,1	72,1	75,8	77,8	72,4	:
	3	82,0	81,5	76,9	77,2	77,3	78,4	70,6	73,9	73,1	72,7	75,2	76,6	73,4	:
	4	76,8	80,4	76,4	77,3	78,5	77,2	68,3	74,5	71,6	72,8	76,1	70,6	72,9	:
L	Year	:	:	:	:	:	:	:	:	:	:	:	79,5	73,5	:
	Quarter 1	:	:	:	:	:	:	:	:	:	:	:	76,0	73,0	72,0
	2	:	:	:	:	:	:	:	:	:	:	78,0	85,0	71,0	:
	3	:	:	:	:	:	:	:	:	:	:	79,0	79,0	74,0	:
	4	:	:	:	:	:	:	:	:	:	:	76,0	78,0	76,0	:
NL	Year	:	:	:	84,5	84,8	84,3	77,0	77,8	79,0	79,7	81,4	81,3	78,5	:
	Quarter 1	:	:	:	86,0	85,0	84,0	80,0	76,0	79,0	78,0	80,5	83,0	78,0	77,0
	2	:	:	:	84,0	84,0	85,0	76,0	77,0	80,0	80,0	80,0	82,0	79,0	:
	3	:	:	:	84,0	85,0	84,0	76,0	78,0	79,0	80,5	82,0	81,0	79,0	:
	4	:	:	:	84,0	86,0	84,0	76,0	80,0	78,0	81,0	83,0	79,0	78,0	:
UK (b)	Year	88,3	85,9	80,7	79,7	87,9	82,5	77,6	76,1	78,9	79,4	84,2	77,2	73,2	:
	Quarter 1	89,4	85,6	83,5	77,2	85,2	77,2	81,4	74,2	78,9	79,3	81,4	80,5	71,3	73,4
	2	88,5	85,6	80,5	78,9	87,3	86,0	77,2	75,1	79,3	79,3	88,2	77,6	72,6	:
	3	87,7	86,0	79,7	80,5	90,6	84,3	75,5	76,8	79,3	77,1	85,6	75,1	74,2	:
	4	87,7	86,4	78,9	82,2	88,5	82,5	76,3	78,4	78,0	81,8	81,4	71,7	74,6	:
EC (c)	Year	87,1	87,0	83,7	83,0	85,8	82,9	76,0	78,7	79,7	79,7	82,7	81,3	77,6	:
	Quarter 1	86,4	87,0	84,5	81,8	84,8	82,7	77,6	76,3	79,9	79,2	80,9	83,4	77,1	76,8
	2	87,6	87,5	84,3	82,7	85,7	84,6	75,4	78,8	80,2	79,8	83,6	82,6	77,7	:
	3	87,4	87,0	83,2	83,2	86,4	82,8	75,0	79,3	79,3	79,0	83,7	81,0	77,9	:
	4	87,1	86,6	82,7	84,3	86,4	81,3	76,2	80,3	79,3	80,9	82,7	78,0	77,7	:

For notes, see Table 4.

European Community business surveys

The Community's business surveys, of industry and the construction sector, have been progressively developed since 1962. They are undertaken by national institutions on the basis of the Commission's harmonized questionnaires. The results are communicated to the Commission which processes and publishes the data for Member States and the Community as a whole. The number of enterprises surveyed in manufacturing industry is about 20 000, and in the construction sector about 10 000.

The questions put in the business surveys have the content and periodicity set out below. In general, the questionnaires are sent out at end-month and are returned by the respondents in the course of the following two or three weeks.

QUESTIONS

Manufacturing industry, excluding food, beverages and tobacco

Monthly:

- estimate of production trend in recent months: up, unchanged, down?
- production expectations for the months ahead: up, unchanged, down?
- stocks of finished products: above normal, normal, below normal?
- order-books: above normal, normal, below normal?
- export order-books: above-normal, normal, below normal?
- selling price expectations in the months ahead: up, unchanged, down?

Quarterly (January, April, July and October):

- capacity utilization: in %?
- production capacity: more than sufficient, sufficient, not sufficient?
- duration of assured production: in months?
- new orders in the recent past: up, unchanged, down?
- export volume expectations for the months ahead: up, unchanged, down?
- stocks of raw materials: high, normal, low?

Three times a year (carried out in January/February, June/July and October/November):

- limits to production: none, insufficient demand, shortage of labour, lack of equipment?

Half-yearly (carried out in June/July and October/November):

- Employment expectations for the months ahead: up, unchanged, down?

All industries, including manufacturing, extractive and food

Half-yearly (undertaken in March/April and October/November):

- investment trends and prospects: yearly percentage change of investment expenditure in current money values.

Building industry

Monthly (except for France and the United Kingdom, where the survey is carried out quarterly):

- current production compared with the preceding month: up, unchanged, down?
- factors holding up production: bad weather, shortage of manpower, shortage of equipment, none?
- order-books or production schedules: above normal, normal, below normal?
- employment expectations for the months ahead: up, unchanged, down?
- price expectations in the months ahead: up, unchanged, down?

Quarterly (undertaken in March, June, September and December):

- duration of assured production: in months?

The surveys are undertaken by:

- B - Belgium: Banque Nationale de Belgique
- DK - Denmark: Danmarks Statistik
- D - Federal Republic of Germany: IFO (Institut für Wirtschaftsforschung)
- GR - Greece: Institute of Economic and Industrial Research
- F - France: INSEE (Institut National de la Statistique et des Etudes Economiques)
- IRL - Ireland: CII (Confederation of Irish Industries) and ESRI (Economic and Social Research Institute)
- I - Italy: ISCO (Istituto Nazionale per lo Studio della Congiuntura)
- L - Luxembourg: STATEC (Service Central de la Statistique et des Etudes Economiques)
- NL - Netherlands: CBS (Centraal Bureau voor de Statistiek)
- UK - United Kingdom: CBI (Confederation of British Industry), for the manufacturing industry survey.

- DI (Department of Industry), for the investment survey.
- National Federation of Building Trade Employers, for the construction survey.

Supplement B to 'European Economy', gives a monthly selection of the most recent results. The surveys of manufacturing industry are broken down by twenty industrial sectors, and also by consumer, intermediate and capital goods branches; the results in this detail are published each month by the Office for Official Publications of the European Communities in 'Business surveys' (ISSN 0378-4479). The results of consumer surveys appear three times a year in Supplement C to 'European Economy'.